

<http://www.epa.gov/region01/ge/cleanup/exhibit1.pdf> (electronic page 341; see red highlights)

December 27, 1999

IO? seldom smet. Berlin. CT 0603~  
**NaIlhOst titilifies Service Cornpan)-**  
**P. O. r&r 270**  
**Hartford. cro614,.0230**  
**(3dO) W-3214**  
**Far (360) 66j-m**

VIA FEDERAL EXPRESS  
Assistant Attorney General  
Environment and Natural Resources Division  
United States Department of Justice  
Washington, D.C. 20530

RE: United States vs. General Electric Company, Civil Action No. 99-30225-MAP,  
D.J. REF. 90-I 1-3-1479. and 90-I 1-3-1479z

Dear Sir,

In response to the Notice of Lodging of Consent Decree Pursuant to the Comprehensive Environmental Response, Compensation and Liability Act in the above-captioned case, 64 F.R. 57654 (Oct. 26, 1999), Northeast Generation Company, ("NGC") is providing the enclosed comments on the proposed Consent Decree between the United States and General Electric Company. The enclosed NGC comments requests two changes to the Consent Decree with respect to the "Rest of River segment as defined in the Consent Decree.

Thank you for consideration of these comments. Should you have any questions, please call me at (860) 665-3214.

Very truly yours,  
PMSlajl  
Enclosure  
Philip M. Small

**/ LANDS DIVISION**  
**I ~v~F~~MENT RECORD '1**

## COMMENTS OF NORTHEAST GENERATION COMPANY ON 'CONSENT DECREE IN UNITED STATES V. GENERAL ELECTRIC COMPANY

Northeast Generation Company ('NGC') appreciates the opportunity to comment on the Consent Decree in United States v. General Electric Company, NGC is greatly interested in this Consent Decree, because NGC will shortly be acquiring hydroelectric projects in Connecticut on the Housatonic River from The Connecticut Light and Power Company. These hydroelectric projects are-the Falls Village, Bulls Bridge, Rocky River, Shepaug and Stevenson Projects. Each of these projects holds a license from the Federal Energy Regulatory Commission ("FERC").

NGC's hydroelectric projects have been and will continue to be adversely affected by the disposal of PCBs by General Electric Company ("GE") in the Housatonic River in Pittsfield, Massachusetts. Specifically, GE operated an electrical equipment business in Pittsfield, Massachusetts, which used PCBs as insulating oil for their products. GE routinely disposed of PCBs in the Housatonic River in Pittsfield. There have been extensive studies to identify the impacts to the Housatonic River from this disposal. Studies show, over time, that the levels of PCBs in the river have diminished. **However, high levels of PCBs still remain in sediments at each dam along the Housatonic River.** Remediation of these "hot spots" has not been made a part of the current settlement between the EPA and GE. NGC believes that consideration of the PCB-laden sediments must be included in the process for the "Rest of the River Remediation Action", as defined in the Consent Decree.

PCBs in the Housatonic River can potentially affect NGC operations at each of its hydroelectric facilities and creates adverse financial and operational exposures for NGC. There are numerous potential operation and maintenance activities for these projects that would disturb PCB-laden sediments, and likely trigger additional regulatory requirements. Federal and state environmental and natural resource agencies would undoubtedly require significant and costly measures to be taken to minimize the environmental impacts of disturbing this contaminated sediment.

For example, the areas immediately below each powerhouse may periodically need dredging to facilitate flow efficiency in the future. In certain situations, the FERC license can require that dredging be performed. Also, NGC's hydroelectric facilities are relatively old and may in the future require intake innovations. Additionally, FERC relicensing conditions, such as a requirement to install fish passage facilities at Stevenson and Shepaug, could require excavation of sediments near the dams.

Water quality concerns related to sediments, PCBs, and peaking operations also remain as exposures in the FERC relicensing process. In fact, in the FERC relicensing process for these projects, the United States Fish and Wildlife Service ("U.S. Fish and Wildlife") is requesting an assessment of PCB-contaminated sediments be conducted. U.S. Fish and Wildlife further requests that unless the licensee is able to produce a "sediment transport study conducted by another company" which indicates no significant suspension of PCBs, the licensee provide such a study itself. The Connecticut DEP is currently considering a natural flow regime at the Falls Village and Bulls Bridge facilities, creating a situation where sediment buildup may accelerate. This would impact our operations to the point where dredging would be necessary.

In each of these and other maintenance situations, the added burden of PCB handling and disposal will increase, the overall costs as compared to uncontaminated material.

Finally, NGC would also incur extra costs from the additional time and effort to complete maintenance activities due to the burdens of complying with PCB rules. This would lengthen outages and result in lost electric sales revenue for NGC.

NGC submits that GE, as the party responsible for disposing of PCBs in the Housatonic River should bear the full cost of remediating PCBs. GE should also be required to compensate parties, such as NGC, whose costs increase as a result of GE's disposal of PCBs.

NGC recognizes that the Consent Order defers issues such as these under or the provisions dealing with the "Rest of the River". To preserve its rights and the rights of similarly situated entities, NGC requests two changes to the Consent Decree: First, NGC requests that the Consent Decree explicitly state that it does not adversely affect or impair in any way, expressly or implicitly, the rights of any third parties against GE with respect to the "Rest of the River" segment as defined in the Consent Decree. This would include the rights of third parties to seek cost recovery from GE and with respect to any natural resources damage discussed under Paragraphs 114-116 of the Consent Decree.

Second, NGC requests that the Consent Decree explicitly recognize that there are third parties, such as NGC, with interests in the "Rest of the River Remediation Action", as defined in the Consent Decree, and that these parties shall be entitled to participate in any settlement negotiations or other process to resolve scope, schedule, and other issues relating to that remediation.